

Message Text

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ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 EB-07 AID-05 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 /056 W
-----141326Z 062482 /40
R 141215Z JUN 77
FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC 8957
INFO AMEMBASSY DAR ES SALAAM

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PASS ALSO EXIMBANK

E.O. 11652: N/A
TAGS: EFIN, KE, TZ
SUBJECT: GOK DELEGATION VISIT TO EXIMBANK

REF: STATE 132131

1. EMB APPRECIATES REPORT ON MEETING HELD BY EXIMBANK WITH VISITING KENYAN DELEGATION TO DISCUSS CURRENT PROJECTS. ECONOFF MET WITH FINANCE MINISTRY UNDER SECRETARY J. GACHUI JUNE 13 TO DISCUSS KENYA AIRWAYS FLEET PLANS, STATUS OF EAA LIQUIDATION, AND KENYA FIBERS CORPS. FINANCING. GACHUI EXPRESSED HIS SATISFACTION WITH OUTCOME OF EXIMBANK DISCUSSIONS AND UNDERSTOOD BANK WOULD CONSIDER PROVIDING CREDIT TO KENYA AIRWAYS THROUGH GOK AS OFFICIAL BORROWER. DELEGATION WAS DISAPPOINTED THAT EXIMBANK CONTINUED TO SUGGEST KENYA GOVERNMENT ASSUME GREATER SHARE OF EAA INDEBTEDNESS ON BASIC KENYA AIRWAYS USE OF TWO DC-9'S. GOK HOPES EXIMBANK WILL INSTEAD PERSUADE UGANDAN GOVERNMENT TO RECOGNIZE ITS ONE-THIRD GUARANTEE. GACHUI STATED THAT, IN ANY CASE, HE WOULD BE INFORMING EXIMBANK OF STATUS KENYA AIRWAYS' LEASING ARRANGEMENT
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WITH LIQUIDATOR. (ACCORDING GACHUI, FORMAL LEASE HAS NOT YET BEEN SIGNED BUT AIRWAYS MANAGEMENT MADE INITIAL DEPOSIT OF 1.5 MILLION SHILLING.)

2. DISCUSSING APPOINTMENT OF KENNETH GILL TO FACILITATE RE-REGISTRATION OF DC-9 AIRCRAFT, GACHUI SAID DELEGATION WAS SURPRISED AT CHOICE OF AIRCRAFT SALEMAN FOR SUCH A

ROLE BUT HE, AT LEAST, WAS WILLING TO GIVE APPROPRIATE ASSISTANCE. GACHUI PRIVATELY FELT THAT GILL HAD ACCEPTED HOPELESS TASK, AND RESOLUTION OF AIRCRAFT TITLE PROBLEMS HINGED ON BROADER SUCCESS IN GETTING TWO GOVERNMENTS TO REACH AGREEMENT ON CORPORATION ASSETS. GACHUI INDICATED KENYA AIRWAYS ALSO A POTENTIAL BUYER OF DC-9 EQUIPMENT AND WORRIED ABOUT OBTAINING UNENCUMBERED TITLE. ECONOFF BELIEVES THAT, IF APPROACHED BY GILL, GACHUI WILL PROBABLY SHUNT HIM OFF TO KENYA LIQUIDATOR.

3. ECONOFF FOLLOWED UP ON EXIMBANK SUGGESTION TO DELEGATION THAT FOREIGN EXCHANGE RESERVED FOR LOCOMOTIVE PURCHASES BE TRANSFERRED TO KENYA FIBERS PROJECT. GACHUI SAID HE DISCUSSED MATTER WITH MINISTRY COLLEAGUES MORE FAMILIAR WITH KFC AND DOUBTED WHETHER THIS SWITCH WOULD BE POSSIBLE. IN DECIDING TO ALLOCATE FOREIGN EXCHANGE TO PARTICULARLY LARGE IMPORT REQUIREMENTS, GOK ASSIGNED HIGHER PRIORITY TO LOCOMOTIVE PURCHASE SINCE THIS INVOLVES KEY STATE ENTERPRISE. TO RE-ROUTE FUNDS AT THIS TIME MAY BE MATHEMATICALLY CONVENIENT BUT INVOLVES NEW INTRA-GOVERNMENTAL CONSULTATIONS.

DECON 6/14/78.

LINDSTROM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, REGIONAL ORGANIZATIONS, CREDIT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NAIROB07410
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770211-1193
Format: TEL
From: NAIROBI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770659/aaaabzuk.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 21ca417d-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 132131
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2158982
Secure: OPEN
Status: NATIVE
Subject: GOK DELEGATION VISIT TO EXIMBANK
TAGS: EFIN, EAIR, KE, TZ, UG, EAA, XMB
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/21ca417d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009